

**Christian Dep.**



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<p style="text-align: right;">Page 267</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 On behalf of the Plaintiff:</p> <p>4 Jones Day, by</p> <p>5 J. KEVIN COGAN, ESQ.</p> <p>6 41 South High Street</p> <p>7 Suite 1900</p> <p>8 Columbus, Ohio 43215</p> <p>9 (614) 469-3939</p> <p>10</p> <p>11 On behalf of the Defendant</p> <p>12 and the Witness:</p> <p>13 Manion McDonough &amp; Lucas, P.C., by</p> <p>14 JOSEPH F. McDONOUGH, ESQ.</p> <p>15 USX Tower, Suite 1414</p> <p>16 600 Grant Street</p> <p>17 Pittsburgh, Pennsylvania 15219</p> <p>18 (412) 232-0206</p> <p>19 &amp;</p> <p>20 Cravath, Swaine &amp; Moore, by</p> <p>21 MATTHEW Z. KRUSKO, ESQ.</p> <p>22 Worldwide Plaza</p> <p>23 825 Eighth Avenue</p> <p>24 New York, New York 10019-7475</p> <p>25 (212) 474-1296</p>	<p style="text-align: right;">Page 269</p> <p>1 VIDEO TECHNICIAN: Today's</p> <p>2 date is October 14th, 2003. We're on the</p> <p>3 record at 9:22.</p> <p>4 BRIAN CHRISTIAN, of lawful age, called</p> <p>5 for examination, as provided by the</p> <p>6 statute, being previously sworn, as</p> <p>7 hereinafter certified, said as follows:</p> <p>8 EXAMINATION OF BRIAN CHRISTIAN</p> <p>9 BY MR. COGAN:</p> <p>10 Q. Good morning, Mr. Christian.</p> <p>11 How are you today?</p> <p>12 A. I'm doing well. How about you?</p> <p>13 Q. Good, thank you. I would like to</p> <p>14 begin by looking briefly at an exhibit we</p> <p>15 looked at yesterday, and I've actually pulled</p> <p>16 it out and it's on top of the pile, Exhibit</p> <p>17 4025.</p> <p>18 I think, as we discussed yesterday,</p> <p>19 Exhibit 4025 were some work papers that were</p> <p>20 completed by you; is that correct?</p> <p>21 MR. McDONOUGH: Did you say work</p> <p>22 papers or paper?</p> <p>23 MR. COGAN: I actually made it a</p> <p>24 plural, because I think there are actually two</p> <p>25 there. There's more than one.</p>
<p style="text-align: right;">Page 268</p> <p>1 APPEARANCES, Continued:</p> <p>2</p> <p>3 ALSO PRESENT:</p> <p>4 Phil Mennons, Kroll</p> <p>5 Kurt Henschel, Video Technician.</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 270</p> <p>1 MR. McDONOUGH: Yes. I got you.</p> <p>2 Q. Is that correct, sir?</p> <p>3 A. From looking at the exhibit, my</p> <p>4 name is in the "completed by" slot, so yes.</p> <p>5 Q. And would you turn to the Bates</p> <p>6 001124, please. That work paper</p> <p>7 indicates that a step that was going to be done</p> <p>8 was to test old account balances at 6/30/96,</p> <p>9 doesn't it?</p> <p>10 A. That's in the step name, yes.</p> <p>11 Q. And would I understand that the</p> <p>12 procedure to test the old account balances</p> <p>13 would be to review the client summary of</p> <p>14 accounts that were greater than 90 days old</p> <p>15 with balances exceeding \$100,000?</p> <p>16 A. That's what's indicated in the step</p> <p>17 description, so I believe that would be the</p> <p>18 procedure.</p> <p>19 - - - - -</p> <p>20 (Thereupon, Deposition Exhibit 4027</p> <p>21 was marked for purposes of</p> <p>22 identification.)</p> <p>23 - - - - -</p> <p>24 Q. Now, let me hand you what I</p> <p>25 have marked as Exhibit 4027 and ask you</p>

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<p style="text-align: right;">Page 271</p> <p>1 to take a look at that, please.</p> <p>2 A. (Witness reviewing document.)</p> <p>3 Q. Have you had a chance to at least</p> <p>4 briefly review what we've marked as</p> <p>5 Exhibit 4027?</p> <p>6 A. Yes.</p> <p>7 Q. Looking at the first page of</p> <p>8 Exhibit 4027, which bears the Bates number</p> <p>9 CL009905, is that your handwriting?</p> <p>10 A. Looks like my handwriting.</p> <p>11 Q. And would this be the binder that</p> <p>12 you would have prepared as part of the review</p> <p>13 of the client summary of accounts that were</p> <p>14 greater than 90 days old with a balance -- with</p> <p>15 balances exceeding \$100,000?</p> <p>16 A. I'm not sure. I don't have any</p> <p>17 memory of a binder of that type.</p> <p>18 Q. Do you know what this -- on the</p> <p>19 first page here where it says, "HUH high dollar</p> <p>20 AC and credit balance testing," do you see</p> <p>21 that?</p> <p>22 A. Yes.</p> <p>23 Q. And what does the AC stand for?</p> <p>24 A. I would guess account. I guess</p> <p>25 that's an abbreviation for account.</p>	<p style="text-align: right;">Page 273</p> <p>1 I don't remember, you know, I don't</p> <p>2 remember receiving it, but I also don't</p> <p>3 remember if it was on a schedule request or if</p> <p>4 I asked for it or what have you.</p> <p>5 Q. But if we see in the work paper</p> <p>6 that you completed a step description that</p> <p>7 says, review client summary of accounts greater</p> <p>8 than 90 days old with balances exceeding a</p> <p>9 hundred thousand dollars, do you have any</p> <p>10 reason to believe that such a review would not</p> <p>11 have been done?</p> <p>12 A. The step is signed off. I guess I</p> <p>13 don't have reason to believe that the step</p> <p>14 wasn't done.</p> <p>15 Q. Looking at the pages that follow in</p> <p>16 Exhibit 4027, that is, pages Bates numbered</p> <p>17 CL009906 through 9961, does that appear to be a</p> <p>18 document that you would have created, that is,</p> <p>19 the C&amp;L audit team, or does that appear to be a</p> <p>20 document prepared by AHERF?</p> <p>21 MR. McDONOUGH: Let me note for the</p> <p>22 record that there appear to be a couple of gaps</p> <p>23 in these pages. There's no -- the pages</p> <p>24 between 9910 and 9914 are missing. And I think</p> <p>25 the pages between 9916 and 9928 are also</p>
<p style="text-align: right;">Page 272</p> <p>1 Q. That, likewise, I take it is your</p> <p>2 handwriting?</p> <p>3 A. Looks like my handwriting.</p> <p>4 Q. And I take it pursuant to the</p> <p>5 review of old account balances that was to be</p> <p>6 done, as reflected in the work paper we just</p> <p>7 looked at, you or somebody on the audit team</p> <p>8 would receive the client summary?</p> <p>9 A. I'm sorry, can you repeat that.</p> <p>10 Q. Well, you'll see on page -- of</p> <p>11 Exhibit 4025 at Page 1124 --</p> <p>12 A. Okay.</p> <p>13 Q. -- under step description it says,</p> <p>14 review client summary of accounts. My question</p> <p>15 was: Was the client, AHERF, to provide to you</p> <p>16 or another member of the C&amp;L audit team a</p> <p>17 summary of accounts that were greater than 90</p> <p>18 days old with balances exceeding a hundred</p> <p>19 thousand dollars?</p> <p>20 A. I don't have any memory of that. I</p> <p>21 mean if it was something that we asked for, if</p> <p>22 it was included in the schedule request or</p> <p>23 someone, you know, asked the client without it</p> <p>24 being on the schedule request, the client would</p> <p>25 have provided it to us.</p>	<p style="text-align: right;">Page 274</p> <p>1 missing.</p> <p>2 MR. COGAN: Okay. Let me change my</p> <p>3 question then.</p> <p>4 Q. Mr. Christian, you've had a chance</p> <p>5 to look at what has been marked as</p> <p>6 Exhibit 4027. Other than the very first page</p> <p>7 of Exhibit 4027, do the remaining pages appear</p> <p>8 to be schedules that would have been prepared</p> <p>9 by AHERF or do they appear to be documents that</p> <p>10 you would have prepared?</p> <p>11 A. Excluding the writing on the page,</p> <p>12 which looks like it's mine, this would have</p> <p>13 been a document, I believe, it would have been</p> <p>14 generated by AHERF.</p> <p>15 Q. Then turning, if we could, to</p> <p>16 Page 9907, which does contain some handwriting;</p> <p>17 do you see that?</p> <p>18 A. Yes, I do.</p> <p>19 Q. Does that appear to be your</p> <p>20 handwriting?</p> <p>21 A. The handwriting that I can make out</p> <p>22 at the bottom that I believe starts with,</p> <p>23 "note: As of 8/28/96," it appears to be my</p> <p>24 handwriting. And below that -- there's some</p> <p>25 writing just above that. I'm not sure, it's</p>

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<p style="text-align: right;">Page 275</p> <p>1 hard to make out, but I'm not sure that that's 2 mine. 3 Q. Just so that it's clear, the 4 language that says, "note: As of 8/28/96, 5 there were no receipts on this A/C," that's 6 your handwriting? 7 A. It appears to be. 8 Q. And then below that, where it looks 9 like there's a dash and begins, "overall manual 10 allowance percentage," and continuing on, does 11 that also appear to be your handwriting? 12 A. I believe so. 13 Q. And the handwriting you're not sure 14 of is that handwriting which appears above the 15 line beginning with the word "note"? 16 A. There's a line that I believe says, 17 "estimated reimbursement." It's hard to make 18 out. I'm not sure that that's mine. There may 19 be, on the top right-hand side of the page 20 where there's some numbers written for reserve 21 or estimated, NRV, that may be my writing, too. 22 Q. And if we turn to the next page, 23 which is 9908, is some of the handwriting that 24 appears on that page yours? 25 A. It looks like my handwriting.</p>	<p style="text-align: right;">Page 277</p> <p>1 this page would reflect that she was admitted 2 on 5/6/93 and discharged on October 8, '93, 3 doesn't it? 4 A. From looking at this document, 5 that's what it says. 6 Q. And the final bill date was 7 10/18/93? 8 A. On this document there's a column 9 that says, final bill, and it has date of 10 10/18/93. 11 Q. And if we go to very last entry 12 under "account balance," what does that show? 13 A. For Catherine Townes? 14 Q. For Catherine Townes, yes. 15 A. Final column under account balance 16 for Catherine Townes reads, 124,581, I believe, 17 and 15 cents. 18 Q. Now, going down a little further 19 with respect to the entry for Ann Weber; do you 20 see that? 21 A. Yes, I do. 22 Q. And her final bill date was what? 23 A. Ann Weber's final bill date, 24 according to this document, was 12/1/1994. 25 Q. What was the account balance?</p>
<p style="text-align: right;">Page 276</p> <p>1 Q. Given that your handwriting appears 2 on at least a couple of pages of the document 3 that's been marked as Exhibit 4027, do you 4 believe that you would have reviewed these 5 materials that were received from AHERF? 6 A. Based upon looking at the document 7 that's been put in front of me, I guess it 8 looks as though that I would have reviewed 9 these, if I would have made notes on the page. 10 Q. Okay. If I could, then, let's turn 11 to what has been marked as -- or what has the 12 Bates number 9929. And you're at that page? 13 A. Yes, I am. 14 Q. What we see in the left-hand column 15 of this page is the identity of a patient; is 16 that correct? 17 A. In the left-hand column? 18 Q. Yes. 19 A. There's a patient number and a 20 patient name, yes. 21 Q. What I would like to do is direct 22 you, first, to the entry for Catherine A. 23 Townes; do you see that? 24 A. Yes, I do. 25 Q. And the information contained on</p>	<p style="text-align: right;">Page 278</p> <p>1 A. Ann Weber's account balance per 2 this exhibit was \$113,454. 3 Q. And then let's look at the entry 4 for Benjamin Bashore; do you see that? 5 A. Yes, I do see that. 6 Q. What was the final bill date there? 7 A. I believe his final bill date, from 8 this document, was 9/6/94. 9 Q. What was the balance on the 10 account? 11 A. The account balance is 109,830. 12 Q. These account balances that we've 13 been discussing were as of June 30, 1996; is 14 that right? 15 A. I would imagine, if this report was 16 from June 30th, '96. I don't know if that's 17 the case or not. 18 Q. But would you understand this 19 report date to be June 30, 1996 at 8:22 p.m.? 20 A. From looking at the report, that's 21 what's at the top of the page. 22 Q. So I -- would you agree that as of 23 this report date, the accounts for Catherine 24 Townes, Ann Weber, and Benjamin Bashore were 25 more than 90 days old?</p>

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<p style="text-align: right;">Page 279</p> <p>1 A. Based on this report, based on the  2 final bill date on this report, it appears that  3 they're more than 90 days old, yes. If this is  4 as of 6/30/96, that would be the case.  5 Q. And the account balances were  6 greater than a hundred thousand dollars, right?  7 A. From looking at this report, yeah.  8 Q. Now, do you know, did you do any  9 analysis to determine the collectability of  10 these accounts, for example, the Catherine  11 Townes, Ann Weber, and Benjamin Bashore?  12 A. I honestly do not remember if I did  13 or not.  14 Q. Do you know if anybody on the  15 Coopers &amp; Lybrand audit team would have done an  16 analysis with respect to the collectability of  17 these three accounts, which were greater than  18 90 days and more than a hundred thousand  19 dollars?  20 A. I don't remember.  21 Q. If such an analysis was done, would  22 you expect to find that in a work file such as  23 the one that's been marked as 4027?  24 A. Included in the same work file?  25 Q. That would be the first question,</p>	<p style="text-align: right;">Page 281</p> <p>1 Q. Back to Exhibit 4027, and just  2 looking at the Bates Page 9932. And do you see  3 about four patients down there's a Ruth Waters?  4 A. I see that.  5 Q. And a discharge or final bill date  6 of February 15, '94?  7 A. Yes, I see that.  8 Q. And assuming that this printout is  9 as of 6/30/96 at 8:22 p.m., the balance would  10 appear to be \$108,058.16; do you see that?  11 A. I do see that.  12 Q. And, again, I would ask you, do you  13 know whether any analysis was done regarding  14 the collectability of this account, which was  15 more than 90 days old and greater than a  16 hundred thousand?  17 A. I don't remember.  18 Q. To the extent that Exhibit 4027  19 identifies other accounts that were more than  20 90 days old and greater than a hundred thousand  21 dollars as of June 30, 1996, do you know  22 whether any analysis was done to determine the  23 collectability of those accounts?  24 A. I do not remember.  25 Q. Do you know whether or not any</p>
<p style="text-align: right;">Page 280</p> <p>1 yes.  2 A. Not necessarily.  3 Q. Where else might one find such an  4 analysis, if it had been done?  5 A. I would imagine it could be in  6 almost anywhere. I mean if you're saying would  7 I expect to see it in this same work file that  8 I'm -- is the exhibit, not necessarily. I  9 guess I would expect to see some explanation  10 somewhere within our working papers.  11 Q. Go, if you would, to the -- back to  12 Exhibit 4025. And the last page of that  13 exhibit with the Bates number 1125.  14 A. Okay.  15 Q. Do you see that on that work paper,  16 under "working paper type," there is a line  17 that says, "see the high-dollar and credit  18 balance audit supplement binder."  19 A. Okay.  20 Q. And I would ask you, what we have  21 marked as Exhibit 4027, is that the high-dollar  22 and credit balance audit supplement binder?  23 A. I have no idea. It may only be a  24 piece of it. It may only be one work paper. I  25 have no idea. No way of telling.</p>	<p style="text-align: right;">Page 282</p> <p>1 analysis would have been done to determine if  2 adequate reserves had been established for  3 those accounts?  4 A. I do not remember.  5 Q. Going back to Exhibit 4025, and at  6 Page 1124, that first line under "step  7 description" that we talked about which  8 provides, "review client summary of accounts  9 greater than 90 days old with balances  10 exceeding \$100,000."  11 Do you know what the purpose of  12 such a review would have been?  13 A. Really not right offhand, no.  14 Q. Has it been your experience that  15 one of the purposes in reviewing accounts such  16 as those which are more than 90 days old and  17 with a balance greater than a hundred thousand  18 dollars is, at least in part, to determine the  19 collectability of the account?  20 A. I don't know that it's been my  21 experience that I can remember reviewing  22 individual accounts or a summary of individual  23 accounts that are that old. So I don't know  24 that it's necessarily been my experience.  25 Q. Have you -- change that.</p>

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<p style="text-align: right;">Page 283</p> <p>1 While you were at Coopers &amp; 2 Lybrand, were you ever asked to determine the 3 collectability of accounts receivables for 4 healthcare providers? 5 A. Was I specifically asked to do that 6 as a task or was I -- 7 Q. Yes. 8 A. I don't remember that I was ever 9 specifically asked to just determine the 10 collectability of accounts receivable. I know 11 I was asked to perform work on an audit area, 12 which was accounts receivable. 13 Q. As part of the task of auditing 14 accounts receivables, do you attempt to 15 determine the collectability of accounts? 16 A. I believe that is one of the tasks 17 that is included if you were auditing an 18 area -- if you were auditing A/R. 19 Q. And if you could, how would you go 20 about doing that, that is, testing for the 21 collectability of accounts? 22 A. Well, from what I can remember, you 23 might look at subsequent receipts. You might 24 look at a history of payments of -- that have 25 come from vendors, or as it's related to</p>	<p style="text-align: right;">Page 285</p> <p>1 on this document, of \$108,058.16; do you see 2 that? 3 A. I do see that. 4 Q. So one way that you might test the 5 collectability of that account would be to look 6 at whether there were any payments on the 7 account subsequent to June 30th, 1996; is that 8 right? 9 A. Not specifically on one account, 10 necessarily. Maybe as a whole, but I can't say 11 necessarily just on Ruth Waters' account would 12 I do that. 13 Q. Now, I was just saying as an 14 example for testing the collectability of an 15 account, one thing that you could do would be 16 to determine, for example, in connection with 17 Ruth Waters, whether there were any subsequent 18 payments on that account? 19 A. I don't know that I would 20 necessarily do that on a single account. 21 You're referring to an account. 22 Q. Would another approach then be to 23 accumulate all of the accounts that were more 24 than 90 days old and with balances in excess of 25 a hundred thousand dollars and then determine</p>
<p style="text-align: right;">Page 284</p> <p>1 patient A/R, it may have been coming from third 2 party providers over a period of time to 3 determine if they're actually getting paid on 4 accounts. 5 Q. Would you consult with the client? 6 A. That might be one of the steps I 7 would take. 8 Q. Would you contact the payor? 9 A. I don't remember having gotten in 10 direct contact with the payor, because I don't 11 know that it's necessarily never happened, but 12 I mean it's the client's A/R that is -- that 13 they're looking to collect. It's not mine. So 14 I don't know that I would necessarily contact 15 the payor. 16 Q. So if, for example, looking at 17 Page 9932 of Exhibit 4027. 18 A. 9932. 19 Q. Sure. We'll use that as an 20 example. 21 And focusing specifically on the 22 Ruth Waters account; do you see that one? 23 A. I do see that one. 24 Q. That, we discussed earlier, had a 25 balance as of June 30th, 1996, at least based</p>	<p style="text-align: right;">Page 286</p> <p>1 whether there had been any subsequent payments 2 on the accounts? 3 A. It might be. It might also be to 4 inquire of the client, are they specifically 5 manually reserving for these accounts. Do they 6 have adequate manual reserves for the 7 particular accounts that you're looking at, 8 because they are so old, that might be a step. 9 Q. And do you recall having had any 10 such discussions with anybody at AHERF 11 regarding these accounts that we've talked 12 about, which are greater than 90 days old and 13 more than \$100,000? 14 A. No, I don't. 15 Q. When you use the term "manually 16 reserving for the accounts," what do you mean 17 by that? 18 A. Instead of having an accounting 19 system or, I guess, a patient accounting 20 system, perhaps record an automatic reserve on 21 a patient account, you're doing a procedure as 22 a client is doing a procedure where they're 23 looking at an account and noting, okay, it's 24 old, okay, there may be an issue with this, I'm 25 going to record a manual journal entry to</p>

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1 record additional reserves.  
 2 Q. During the course of the audit of  
 3 accounts receivables in 1996 for AHERF, did you  
 4 determine whether AHERF was manually reserving  
 5 for any of its accounts that were more than 90  
 6 days old and with balances in excess of a  
 7 hundred thousand dollars?  
 8 A. I don't remember.  
 9 Q. When you are making inquiry of the  
 10 client as to whether they are manually  
 11 reserving for accounts, do you keep notes of  
 12 those conversations?  
 13 A. I believe I would have -- if I  
 14 would have inquired of the client, if they are,  
 15 you know, performing a manual reserve, I would  
 16 have asked to see, you know, if they made an  
 17 entry, I probably would have taken notes on  
 18 what they told me.  
 19 Q. I take it you would want to at  
 20 least make a note of who you talked to?  
 21 A. I believe so.  
 22 Q. And perhaps the date on which you  
 23 spoke with them?  
 24 A. Not necessarily.  
 25 Q. Would you want to at least make a

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1 note of what they told you?  
 2 A. I believe that would be the case.  
 3 Q. And to the extent that you asked to  
 4 see entries and those entries were shown to  
 5 you, would you make a note of that?  
 6 A. I believe that's the case.  
 7 Q. And those would be part of your  
 8 work papers?  
 9 A. If that was the documentation  
 10 that -- the path that I chose to go, yeah, that  
 11 would -- I probably would have documented it  
 12 that way.  
 13 Q. As we sit here today, you don't  
 14 have any recollection of having had such  
 15 discussions with anybody at AHERF regarding  
 16 whether they were doing manual reserving for  
 17 accounts that were greater than 90 days old  
 18 with balances in excess of a hundred thousand  
 19 dollars?  
 20 A. As we sit here seven years later, I  
 21 do not have recollection of having a  
 22 conversation with anyone at AHERF regarding  
 23 that matter.  
 24 Q. Let me hand you, Mr. Christian,  
 25 what was previously marked as Exhibit 914.

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1 A. (Witness reviewing document.)  
 2 Q. Have you had a chance to review  
 3 Exhibit 914?  
 4 A. Yes, I have.  
 5 Q. Exhibit 914 purports to be a memo  
 6 from Russell Laing to Greg Snow with a date of  
 7 June 10, 1996.  
 8 During the course of your work on  
 9 behalf of the AHERF audit in 1996, did you have  
 10 occasions to meet Greg Snow?  
 11 A. I know I would have met with him, I  
 12 believe, at least once that I can remember.  
 13 Q. If you go down to the -- below the  
 14 first paragraph there's an indentation, a  
 15 bullet entry there that says, "C&L has  
 16 increased their risk assessment (either 'Low',  
 17 'Below Maximum' or 'Maximum') from Low (in fye  
 18 1995 audit) to Below Maximum (in fye 1996  
 19 audit)."  
 20 Do you see that sentence?  
 21 A. I see that sentence.  
 22 Q. Does this refresh your recollection  
 23 at all that in connection with the 1996 audit,  
 24 that C&L had increased its risk assessment from  
 25 low to below maximum?

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1 A. No, it doesn't.  
 2 Q. And you'll notice that in this memo  
 3 there's a reference, and this is in the first  
 4 paragraph, "I conference-called both Norb  
 5 Shevelesky, "S-h-e-v-e-l-e-s-k-y" and Mark  
 6 Kirstein today to discuss their FYE 1996 audit  
 7 approach to receivables." Do you see that?  
 8 A. I do see that.  
 9 Q. Do you recall, did you participate  
 10 in any conference call with Mr. Laing and with  
 11 Mr. Shevelesky and Mark Kirstein where the  
 12 subject of the approach to auditing receivables  
 13 in fiscal year 1996 was discussed?  
 14 A. No.  
 15 Q. Do you have a recollection of  
 16 Mr. Kirstein or Mr. Shevelesky coming to you  
 17 sometime after June 10, 1996 to discuss the  
 18 approach to auditing accounts receivables?  
 19 A. I do not remember Mr. Kirstein  
 20 coming to me. I don't remember having a  
 21 meeting with Mr. Kirstein to discuss that. I  
 22 don't know who Mr. Shevelesky is.  
 23 Q. Okay.  
 24 A. I would guess, there is a Norb  
 25 Kaliszewski who worked on -- did not work on

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<p style="text-align: right;">Page 327</p> <p>1 purports to be a memo from a Bill Gedman to  2 Greg Snow dated June 7, 1996, correct?  3 A. I see that, yes.  4 Q. Do you recall having, during the  5 course of your work with AHERF, worked with or  6 met a Bill Gedman?  7 A. I may have, but I really don't  8 remember.  9 Q. And if you look at the first page  10 of this exhibit, it reflects that a Bob Katchur  11 completed an update of the billed accounts  12 receivable analysis for measurement of maximum  13 receivable exposure due to past statute  14 limitations, bad debt potential and silent PPO  15 potential; do you see that?  16 A. I see that.  17 Q. And it further indicates that  18 update was done using account receivable data  19 as of May 31, 1996.  20 It goes on to say that the total  21 increase in the exposure is 7.7 million, of  22 which 6.9 million is in the, quote, "past  23 statute," end quote, category; do you see that?  24 A. I see that.  25 Q. Do you or did you have an</p>	<p style="text-align: right;">Page 329</p> <p>1 what has already been marked as Exhibit 905 and  2 ask you to take a look at that.  3 A. (Witness reviewing document.)  4 Q. Have you had a chance to look at  5 Exhibit 905?  6 A. Yes.  7 Q. Exhibit 905 purports to be a  8 memorandum dated October 11, 1996 from Greg  9 Snow to a Joe Dionisio and Charles Morrison.  10 And the subject is "Past Statute (DVR)." Do  11 you see that?  12 A. I see that.  13 Q. By the way, during the course of  14 the time that you were involved with the audits  15 of AHERF, did you have occasion to meet a Joe  16 Dionisio?  17 A. I don't know that I can remember.  18 Q. Or Mr. Morrison?  19 A. No, not that I can remember.  20 Q. If we look into the memo itself,  21 you'll see there in the first paragraph it  22 says, "past statute accounts are receivables  23 whose balances have not been resolved within  24 predetermined time frames as set by the  25 payors." Do you see that?</p>
<p style="text-align: right;">Page 328</p> <p>1 understanding as to what was meant by "past  2 statute"?  3 A. Not that I recall.  4 Q. Do you recall during the 1996 audit  5 learning that there were approximately -- that  6 there had been an increase in exposure of  7 \$7.7 million, of which 6.9 million was in the  8 past statute category?  9 A. Do I remember learning that?  10 Q. Yes.  11 A. No, I do not.  12 Q. In other words, did anybody provide  13 you, as you recall, with a copy of Mr. Laing --  14 excuse me, Mr. Gedman's memo to Greg Snow?  15 A. Not that I can remember.  16 Q. Did anybody at AHERF advise you  17 that some of the accounts receivables would be  18 uncollectible because they were in the past  19 statute category?  20 A. I don't remember that.  21 Q. Do you recall being in any audit  22 meetings with C&amp;L personnel where the issue of  23 past statute accounts was discussed?  24 A. I don't recall.  25 Q. Let me hand you, Mr. Christian,</p>	<p style="text-align: right;">Page 330</p> <p>1 A. I see that.  2 Q. Does that refresh your recollection  3 as to what a past statute account would be?  4 A. No, not really.  5 Q. If we go to the next paragraph, it  6 says, "attached are three A/R past statute  7 schedules demonstrating the recent increase in  8 past statute receivables. Following is a  9 summary of these reports."  10 And then it says that as of 12/1/95  11 the past statute amount was \$18 million; do you  12 see that?  13 A. Yes, I see that.  14 Q. And then as of 2/1/96, the past  15 statute amount had increased to 22,822,000; do  16 you see that?  17 A. I see that.  18 Q. And then as of July 1, 1996, the  19 past statute amount had increased to  20 \$36.9 million; do you see that?  21 A. I see that.  22 Q. Do you recall during the course of  23 your work in the -- with respect to the fiscal  24 year 1996 audit of accounts receivables coming  25 across information indicating that accounts</p>

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<p style="text-align: right;">Page 331</p> <p>1 might be uncollectible because they were beyond 2 the time frame set by payors for payment of the 3 accounts? 4 A. Do I recall coming across any 5 information -- no, I do not recall any 6 information. 7 Q. If you would, turn over to the next 8 page. And do you see there's an entry 9 Number 4, towards the middle of the page? 10 A. Entry Number 4. 11 Q. And entry Number 4 recites that, 12 "effective September 27, 1995, PFSG was advised 13 to discontinue writing-off any balances, 14 regardless of the reason, for dates of service 15 prior to July 1, 1995 (that is contractual 16 write-offs were suspended)." 17 During the course your audit of the 18 accounts receivables for fiscal year 1996, did 19 you learn that the PFSG had been advised to 20 discontinue writing off account balances? 21 MR. McDONOUGH: Object to form. 22 A. I don't recall learning that. 23 Q. Based upon your work in connection 24 with the AHERF, did you understand PFSG to 25 stand for the Patient Financial Services Group?</p>	<p style="text-align: right;">Page 333</p> <p>1 your recollection that a policy may have been 2 established regarding the write-offs of certain 3 balances? 4 A. No, it does not refresh my 5 recollection. 6 Q. Mr. Christian, let me hand you what 7 I'll mark as Exhibit 4033 and ask you to take a 8 look at that document, if you would. 9 - - - - - 10 (Thereupon, Deposition Exhibit 4033 11 was marked for purposes of 12 identification.) 13 - - - - - 14 A. (Witness reviewing document.) 15 Q. Have you had a chance to review 16 what has been marked as Exhibit 4033? 17 A. Yes, I have. 18 Q. And this is a -- well, this 19 document is titled, "Working Paper Name: 20 Interim Balance Sheet Antilytics." Do you see 21 that? 22 A. I do see that. 23 Q. And the working paper type is, 24 again, one of those O-L-E's or OLE's? 25 A. I see that.</p>
<p style="text-align: right;">Page 332</p> <p>1 A. I may have at one time, but I -- I 2 don't remember what that consisted of. I don't 3 remember, you know, who that might have been. 4 Q. Again, if we look at the first page 5 of this memo, we see that it was from a Gregory 6 M. Snow, the vice president of financial 7 services. 8 As I recall your testimony, Greg 9 Snow was one of the people you worked with in 10 connection with doing your audit work for 11 fiscal year 1996? 12 A. I remember meeting with him, I 13 believe, at least on one occasion. 14 Q. And did you have occasion to work 15 with other members of the group for which he 16 was the vice president, that is, financial 17 services? 18 A. I'm not sure. I don't know. 19 Q. You may recall earlier today we 20 looked at some exhibits where we saw that there 21 were no write-offs for a period of time. Do 22 you recall that? 23 A. I do recall those exhibits. 24 Q. Based on this exhibit that we're 25 now looking at, Exhibit 905, does that refresh</p>	<p style="text-align: right;">Page 334</p> <p>1 Q. If we look at the last page, it 2 indicates it was completed by Brian Christian? 3 A. That's what it says. 4 Q. And reviewed by Amy Frazier? 5 A. Yes. 6 Q. And last modified by Amy Frazier as 7 well, right? 8 A. It has her name in the modification 9 history. I don't know if that means that 10 that's the last person who modified it. 11 MR. McDONOUGH: Is there anything 12 that you have that suggests that Page 15500 13 relates to what precedes it? 14 MR. COGAN: Other than that's what 15 I'm told. 16 MR. McDONOUGH: Okay. Well, it is 17 at least not in the same format we've been 18 dealing with throughout the prior part of this 19 deposition. 20 Q. And you'll notice that this relates 21 to the 6/30/97 fiscal year, does it not? 22 A. That's what I see at the -- on the 23 first page is 6/30/97. 24 Q. And you continued, I take it, to 25 work on the AHERF account with respect to the</p>

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<p style="text-align: right;">Page 335</p> <p>1 fiscal year 1997 audit?</p> <p>2 A. Yes, I did.</p> <p>3 Q. Turn, if you would, to the page</p> <p>4 that is Bates stamped 15498. And do you see</p> <p>5 that there is a heading there, "C-Patient</p> <p>6 Accounts Receivable"?</p> <p>7 A. Yes, I do see that.</p> <p>8 Q. Would you just take a minute to</p> <p>9 review, please.</p> <p>10 A. To review --</p> <p>11 Q. Item C there.</p> <p>12 A. The whole item?</p> <p>13 Q. Yes, just as it appears on that</p> <p>14 page.</p> <p>15 A. Okay.</p> <p>16 (Witness reviewing document.)</p> <p>17 MR. KRUSKO: Brian, it also</p> <p>18 carries over to the next page.</p> <p>19 MR. COGAN: I know that.</p> <p>20 MR. KRUSKO: I understand that for</p> <p>21 purposes of your question. I'm just directing</p> <p>22 Brian there's more that carries over to the</p> <p>23 next page. He should read that for context.</p> <p>24 Q. Have you had a chance to review</p> <p>25 what is Section C, the patient accounts</p>	<p style="text-align: right;">Page 337</p> <p>1 A. I do see that.</p> <p>2 Q. Do you recall having had any</p> <p>3 discussion with anyone on the C&amp;L audit team</p> <p>4 regarding the charge-off of \$23 million of</p> <p>5 receivables as a valuation allowance as opposed</p> <p>6 to a reduction in the bad debt reserve?</p> <p>7 A. No, I do not.</p> <p>8 Q. If, in fact -- well, let me ask you</p> <p>9 this. Would this charge-off of approximately</p> <p>10 \$23 million indicate that AHERF believed that</p> <p>11 some \$23 million in accounts receivables were</p> <p>12 not going to be collected?</p> <p>13 A. I could assume that, but I can't</p> <p>14 say for sure.</p> <p>15 Q. And if the write-off was</p> <p>16 accomplished by a charge to the valuation as</p> <p>17 opposed to the reduction in the bad debt</p> <p>18 reserve, would that indicate that AHERF</p> <p>19 believed that it needed to write off the</p> <p>20 \$23 million because they had not been accounted</p> <p>21 for as either contractual allowance or bad debt</p> <p>22 reserve?</p> <p>23 MR. McDONOUGH: Object to form.</p> <p>24 A. I don't understand. Could you</p> <p>25 repeat that.</p>
<p style="text-align: right;">Page 336</p> <p>1 receivable?</p> <p>2 A. Yes.</p> <p>3 Q. Now, does that appear to be an</p> <p>4 entry that was prepared by AHERF personnel or</p> <p>5 does that appear to be an entry created by</p> <p>6 Coopers &amp; Lybrand?</p> <p>7 A. The entry C?</p> <p>8 Q. Yes.</p> <p>9 A. The dialogue that is in here?</p> <p>10 Q. Correct.</p> <p>11 A. I believe it would have been</p> <p>12 something that was created by C&amp;L personnel.</p> <p>13 Q. And directing your attention to the</p> <p>14 sentence that appears underneath the chart in</p> <p>15 Section C that begins, "the decrease." Do you</p> <p>16 see that?</p> <p>17 A. I see that.</p> <p>18 Q. It says, "the decrease of patient</p> <p>19 A/R relates to approximately \$23 million of</p> <p>20 receivables that were charged off as a</p> <p>21 valuation allowance versus a reduction to the</p> <p>22 bad debt reserve. We do not agree, however,</p> <p>23 with management's presentation of the value</p> <p>24 allowance as a component of net assets." And</p> <p>25 then it continues on. Do you see that?</p>	<p style="text-align: right;">Page 338</p> <p>1 Q. Maybe it wasn't the best question.</p> <p>2 See if I can improve upon it.</p> <p>3 If you were going to write off</p> <p>4 receivables of \$23 million, would not the</p> <p>5 typical GAAP approach be to make a charge to</p> <p>6 the bad debt reserve?</p> <p>7 A. I'm not sure.</p> <p>8 Q. If management was writing off the</p> <p>9 \$23 million in receivables as a valuation</p> <p>10 allowance, would that indicate to you that they</p> <p>11 did -- that management believed it had not</p> <p>12 sufficiently reserved for that write-off?</p> <p>13 A. I don't know.</p> <p>14 Q. Based upon your experience, was it</p> <p>15 consistent with GAAP to write off accounts</p> <p>16 receivables by making a charge to the valuation</p> <p>17 allowance?</p> <p>18 A. I don't know.</p> <p>19 Q. Now, was any effort made to</p> <p>20 determine whether these \$23 million that were</p> <p>21 charged off as a valuation allowance were</p> <p>22 uncollectible as of 6/30/97?</p> <p>23 A. Was any effort made to determine</p> <p>24 the \$23 million that was charged off? Could</p> <p>25 you run through that again, I'm sorry.</p>

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<p style="text-align: right;">Page 419</p> <p>1 Mr. Christian, look at the next 2 exhibit marked yesterday, 4022. This work 3 paper is shown as being, quote, "completed by," 4 close quote, you, correct? 5 A. From looking at the document, I can 6 see my name is by the "completed by." 7 Q. Just paging through this work 8 paper, Mr. Christian, is all this material in 9 the work paper created by you? 10 A. No. 11 Q. Does this work paper indicate that 12 it was seen and, in fact, modified by other 13 members of the audit team who were your 14 superiors? 15 MR. COGAN: Objection. 16 A. Yes, because I can see Mark 17 Kirstein's name on there. 18 Q. Does it indicate that it was 19 reviewed by Mr. Kirstein? 20 A. Yes. 21 Q. Let's go to the next exhibit, 4023. 22 Is this a work paper that is shown as, quote, 23 "completed by," close quote, you? 24 A. Yes. 25 Q. Perusing through it, does this</p>	<p style="text-align: right;">Page 421</p> <p>1 Q. Does it indicate it was reviewed by 2 Mr. Kirstein, your supervisor? 3 A. Yes. 4 Q. Without going through every exhibit 5 here, Mr. Christian, is that typical of the 6 exhibits you saw that you were asked questions 7 about, as if you completed the work paper and 8 you did all the work with respect to them? 9 MR. COGAN: Objection. Foundation. 10 Leading, which every question has been. 11 Q. Well, let's do it the hard way, Mr. 12 Christian. Let's look at the next exhibit, 13 Exhibit 4025. It's a work paper, right? 14 MR. COGAN: Objection. Leading. 15 Q. Well, Mr. Christian, let me solve 16 that problem the hard way. What is this a copy 17 of? 18 A. It's a work paper. 19 Q. Who is it completed by? 20 A. My name is in the "completed by" 21 box on this document. 22 Q. Does it show that it was modified 23 by other members of the C&amp;L engagement team? 24 A. Yes. 25 Q. Does it show it was reviewed by</p>
<p style="text-align: right;">Page 420</p> <p>1 appear to be a work paper containing 2 information created solely by you? 3 A. No. 4 Q. Does the work paper indicate that 5 it was modified by other members of the 6 engagement team? 7 MR. COGAN: Objection. 8 A. Yes. 9 Q. Does it show that it was reviewed 10 by other members of the engagement team? 11 A. Yes. 12 Q. Let's do one more. We won't beat a 13 dead horse, Mr. Christian, but Exhibit 4024, 14 another work paper, correct? 15 A. Yes. 16 Q. Shows, quote, "completed by," close 17 quote, you, correct? 18 A. Yes. 19 Q. Perusing through what's attached to 20 that work paper, is that all created by you? 21 A. I don't believe so. 22 Q. Does the work paper indicate that 23 it was actually modified by other members of 24 the C&amp;L engagement team? 25 A. Yes.</p>	<p style="text-align: right;">Page 422</p> <p>1 Mr. Kirstein? 2 A. Yes. 3 Q. Look at the -- let's see. Just to 4 make this clear, this was a previously marked 5 Exhibit 1587. What is it, Mr. Christian? 6 A. I believe it's a work paper. 7 Q. Does it show that other people from 8 the C&amp;L engagement team either modified it or 9 reviewed it or both? 10 A. Yes, it does. 11 Q. 4028, what is it, Mr. Christian? 12 A. It's a work paper. 13 Q. Does it show it was completed by 14 you? 15 A. Yes, it does have my name in the 16 "completed by." 17 Q. Does it appear that others on the 18 C&amp;L engagement team are shown as having 19 modified it and reviewed it? 20 A. Yes. 21 Q. You're not the only one who worked 22 on this work paper, Mr. Christian? 23 A. No. 24 Q. Let's go to Exhibit 4030. What is 25 it?</p>

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<p style="text-align: right;">Page 423</p> <p>1 A. It's a work paper.</p> <p>2 Q. Shown as, quote, "completed by,"</p> <p>3 close quote, you, correct?</p> <p>4 A. Yes.</p> <p>5 Q. Does it indicate on its face that</p> <p>6 it was modified and reviewed by another member</p> <p>7 of the C&amp;L engagement team?</p> <p>8 MR. COGAN: Objection.</p> <p>9 A. Yes.</p> <p>10 Q. Who was your superior during the</p> <p>11 1996 audit, correct?</p> <p>12 A. Yes.</p> <p>13 MR. COGAN: Objection.</p> <p>14 Q. To whom you reported during the</p> <p>15 1996 audit, correct?</p> <p>16 MR. COGAN: Objection.</p> <p>17 A. Yes.</p> <p>18 Q. Mr. Christian, were you asked any</p> <p>19 of these questions during your direct</p> <p>20 examination here about what appears on the face</p> <p>21 of these documents in terms of other people who</p> <p>22 reviewed these and other people who modified</p> <p>23 them?</p> <p>24 MR. COGAN: Objection. The record</p> <p>25 will speak for itself.</p>	<p style="text-align: right;">Page 425</p> <p>1 A. It's a work paper.</p> <p>2 Q. Is this with respect to the</p> <p>3 '97 audit?</p> <p>4 A. Yes.</p> <p>5 Q. Looking at the last page, does it</p> <p>6 show that it was, quote, "completed by," close</p> <p>7 quote, you?</p> <p>8 A. Yes, it does.</p> <p>9 Q. Does this appear, Mr. Christian,</p> <p>10 this work paper, does it appear to contain only</p> <p>11 your work?</p> <p>12 A. I don't think it's just only my</p> <p>13 work in here.</p> <p>14 Q. Does the work paper itself indicate</p> <p>15 that it was modified and reviewed by other</p> <p>16 members of the engagement team to whom you</p> <p>17 reported?</p> <p>18 A. Yes, it does.</p> <p>19 Q. Let's look at Exhibit 4034. This</p> <p>20 work paper shows -- I'm sorry. What is this?</p> <p>21 A. It's a work paper.</p> <p>22 Q. Turning to the third page, which</p> <p>23 appears to be the middle of this exhibit. Does</p> <p>24 it indicate this work paper was, quote,</p> <p>25 "completed by," close quote, you?</p>
<p style="text-align: right;">Page 424</p> <p>1 MR. McDONOUGH: It will. I'll</p> <p>2 withdraw that.</p> <p>3 MR. COGAN: And it will, because</p> <p>4 the very first document I had specific</p> <p>5 discussions with him on the issue of</p> <p>6 modifications, and the record will show that.</p> <p>7 MR. McDONOUGH: Well, quit while</p> <p>8 you're ahead. I withdrew the question.</p> <p>9 Q. Mr. Christian, look at</p> <p>10 Exhibit 4031. What is it?</p> <p>11 A. It's a work paper.</p> <p>12 Q. Does it show that you were the sole</p> <p>13 person who looked at the work paper?</p> <p>14 A. No, it does not.</p> <p>15 Q. Does it indicate it was modified by</p> <p>16 Mr. Kirstein?</p> <p>17 A. Yes.</p> <p>18 Q. Does it indicate it was reviewed by</p> <p>19 Mr. Kirstein?</p> <p>20 A. Yes, it does.</p> <p>21 Q. Was he your supervisor during the</p> <p>22 1996 audit, or one of them?</p> <p>23 A. Yes.</p> <p>24 Q. Look at Exhibit 4033, if you will.</p> <p>25 What is it?</p>	<p style="text-align: right;">Page 426</p> <p>1 A. The third page? What's the Bates</p> <p>2 stamp?</p> <p>3 Q. I'm sorry, it's the fourth page in.</p> <p>4 It would be Page 15504.</p> <p>5 A. Okay.</p> <p>6 Q. Does it show this work paper was,</p> <p>7 quote, "completed by," close quote, you?</p> <p>8 A. Yes.</p> <p>9 Q. Looking at this work paper, Mr.</p> <p>10 Christian, does it appear to contain only your</p> <p>11 work?</p> <p>12 A. I don't know that I can say it's</p> <p>13 only my work on this work paper.</p> <p>14 Q. Okay. Looking at Exhibit 4035,</p> <p>15 what is it?</p> <p>16 A. It's a work paper.</p> <p>17 Q. Does it show that it was, quote,</p> <p>18 "completed by," close quote, you?</p> <p>19 A. Yes, it does.</p> <p>20 Q. Does it show that it was modified</p> <p>21 by other members of the C&amp;L engagement team?</p> <p>22 A. Yes.</p> <p>23 Q. Looking at 4038, what is this, Mr.</p> <p>24 Christian?</p> <p>25 A. It's a work paper.</p>

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<p style="text-align: right;">Page 427</p> <p>1 Q. Does it show that it was, quote, 2 "completed by," close quote, you? 3 A. Yes. 4 Q. Does it indicate that it was 5 modified and reviewed by other members of the 6 C&amp;L engagement team? 7 A. Yes. 8 Q. Exhibit 4039. What is this, Mr. 9 Christian? 10 A. It's a work paper. 11 Q. Does this show that this was even 12 completed by you? 13 A. No. 14 Q. Does it show that you last modified 15 it? 16 A. Yes. 17 Q. Does it indicate that the work 18 paper was completed by someone else on the C&amp;L 19 engagement team? 20 A. Yes, it does. 21 Q. Do you recognize that individual? 22 A. I recognize the name. 23 Q. Is that someone who worked as part 24 of the engagement team on the 1997 AHERF audit? 25 A. I believe, yes, Kristen Heinlein</p>	<p style="text-align: right;">Page 429</p> <p>1 it indicates, it says, "final bill date, 2 inpatient accounts receivable." 3 Q. Okay. I believe another page you 4 were referenced to is 9932. What does that 5 indicate at the top of the page? 6 A. "HUH Fiscal Year '96 Report, 7 balances greater than 100,000, 90 days from 8 final bill date, inpatient accounts 9 receivable." 10 Q. Does the top of the page indicate 11 in the typed area that this -- that this deals 12 with inpatient accounts receivable? 13 A. That's what it says on the report. 14 Q. Now, let's go back to the note that 15 you wrote on the cover of this page, which you 16 were asked to read. 17 Does your note on this page relate 18 to inpatient accounts receivable or outpatient 19 accounts receivable? 20 A. I believe that it relates to 21 outpatient, because I have an abbreviation, OP, 22 which I believe is outpatient accounts. 23 Q. Is outpatient accounts, in your 24 experience in auditing hospitals, a different 25 category than inpatient accounts?</p>
<p style="text-align: right;">Page 428</p> <p>1 did work on the audit in 1997. 2 Q. Now, Mr. Christian, I would like 3 you to turn back in this group of exhibits to 4 4027, which is not a computerized work paper. 5 It's one of the thicker ones. 6 Mr. Christian, do you recall being 7 shown this exhibit earlier today? 8 A. I believe it was earlier today. 9 Q. And do you recall that you 10 identified the handwriting on the cover page on 11 this pouch as being yours? 12 A. I believe that it is my 13 handwriting. 14 Q. Now, Mr. Christian, do you also 15 recall being taken through -- turn to Page 9929 16 as an example. Do you recall being taken 17 through a number of patients by name entered on 18 this page with respect to the date of the final 19 bill and the amount of the receivable? 20 A. Yes. 21 Q. Now, at the top of this page, does 22 this page contain an indication as to whether 23 this relates to an outpatient or inpatient 24 accounts receivable? 25 A. From reading the top of the page,</p>	<p style="text-align: right;">Page 430</p> <p>1 A. Yes. 2 Q. Now, Mr. Christian, every once in a 3 while you get asked a really easy question. As 4 we sit here today, is this October of 2003? 5 A. Yes, it is. 6 Q. Now, you were asked a long series 7 of questions about work you did on the 1996 8 audit activities for AHERF. How long ago was 9 that from today? 10 A. That work would have been performed 11 more than seven years ago. Seven years, plus. 12 Q. You were asked a smaller number, 13 but still a number of questions regarding the 14 1997 audit work that you did. How long ago 15 would that have been that you did that work 16 from today? 17 A. Six plus years. 18 Q. How long has it been since you did 19 any work on any aspect of any AHERF activity? 20 A. It's got to be approximately -- 21 more than four years, almost five years. 22 Q. Mr. Christian, turn, if you would, 23 to Exhibit 4035. 24 Do you recall, Mr. Christian, being 25 asked some questions about the hours that you</p>

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DEPOSITION ERRATA SHEET

RE: THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF  
ALLEGHENY HEALTH, EDUCATION AND RESEARCH FOUNDATION v.  
PRICEWATERHOUSE COOPERS, L.L.P.

I, Brian Christian, wish to make the following amendments, additions, deletions or corrections to my deposition given on October 13-14, 2003, for the following reasons. I have signed my name to the errata sheet and authorize you to attach it to the original transcript.

<u>Page:Line(s)</u>	<u>Change</u>
49:8	Change "laid out of sort of" to "laid out as sort of" to correct typo.
49:19	Change "patient comes through door" to "patient comes through the door" to correct typo.
123:17-18	Change "I don't understand what I would do with it" to "I don't understand the question" for clarity of record.
129:25	Change "I don't remember visiting" to "I don't remember visiting any of those entities, other than HUH" for clarity of record.
190:16	Change "I believe" to "I believe so" for clarity of record.
221:15	Change "I would gather I would look at" to "I would gather and look at" for clarity of record.
411:2-3	Change "There would have been a partner on , I believe there were two managers" to "There would have been a partner on this engagement and I believe there were two managers" for clarity of record.

413:9-10

Change "the managers on the and the partner on the job" to "the managers on the job and the partner on the job" for clarity of record.

In all other respects, the transcript is true and correct.

Brian Christie  
Signature

12/2/03  
Date

Brian Christian

Page 1

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PENNSYLVANIA

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS OF  
ALLEGHENY HEALTH, EDUCATION &  
RESEARCH FOUNDATION, Civil Action  
Plaintiff, No. 00-684  
Vs.  
PRICEWATERHOUSECOOPERS, L.L.P.,  
Defendant.

Videotape deposition of BRIAN  
CHRISTIAN, called for examination under the  
statute, taken before me, Jaci R. Traver, RPR,  
CRR, and Notary Public in and for the State of  
Ohio, at the offices of Jones Day, 500 Grant  
Street, Suite 3100, Pittsburgh, Pennsylvania,  
on Monday, the 13th day of October 2003 at 9:04  
a.m.

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Brian Christian

<p style="text-align: right;">Page 150</p> <p>1 its bad debt reserves?</p> <p>2 A. I believe at some point in time, if</p> <p>3 I was auditing patient accounts receivable, I</p> <p>4 would have done that. I would have determined,</p> <p>5 you know, what was their methodology of</p> <p>6 reserving for bad debt.</p> <p>7 Q. I think at the outset of the</p> <p>8 deposition I understood your testimony to be</p> <p>9 that one of the purposes in auditing of</p> <p>10 accounts receivables is to determine whether</p> <p>11 the accounts receivable are being reported at</p> <p>12 their net realizable value on the balance</p> <p>13 sheet. Do you recall that?</p> <p>14 A. I believe so.</p> <p>15 Q. And in order to determine whether</p> <p>16 the accounts receivables are being reported at</p> <p>17 their net realizable value, you would have to</p> <p>18 know what the bad debt reserve is, would you</p> <p>19 not?</p> <p>20 A. I believe that's the case.</p> <p>21 Q. And in order to know whether</p> <p>22 management's estimates of the bad debt reserves</p> <p>23 was reasonable, would you not have to know the</p> <p>24 method by which they calculated the bad debt</p> <p>25 reserve?</p>	<p style="text-align: right;">Page 152</p> <p>1 utilized, would you not?</p> <p>2 A. That would be my guess, because I</p> <p>3 don't think there would be any other way that I</p> <p>4 would be able to understand what they were</p> <p>5 doing.</p> <p>6 Q. So as part of the audit then, is it</p> <p>7 fair to say that you did come to an</p> <p>8 understanding as to how management was</p> <p>9 calculating the bad debt reserves?</p> <p>10 MR. McDONOUGH: Object to form.</p> <p>11 Asked and answered.</p> <p>12 A. In auditing patients accounts</p> <p>13 receivable, I believe I may have come to the</p> <p>14 determination -- I may have come to some sort</p> <p>15 of understanding of how the methodology -- how</p> <p>16 they developed their methodology. I don't</p> <p>17 specifically remember working on AHERF.</p> <p>18 Q. With respect to AHERF, do you ever</p> <p>19 recall having any concerns as to the</p> <p>20 reasonableness of the bad debt reserves?</p> <p>21 A. I don't remember.</p> <p>22 Q. Do you recall ever raising any</p> <p>23 questions in connection with how the bad debt</p> <p>24 reserves were being calculated at any of the</p> <p>25 AHERF entities?</p>
<p style="text-align: right;">Page 151</p> <p>1 A. I believe so.</p> <p>2 Q. Now, in connection with the audit</p> <p>3 of AHERF in fiscal year 1996, would you have</p> <p>4 been the person determining the methodologies</p> <p>5 that were being utilized to calculate the bad</p> <p>6 debt reserves at the various AHERF entities, or</p> <p>7 was that somebody else's responsibility?</p> <p>8 A. Would I have been the person</p> <p>9 that -- could you restate that, I'm sorry.</p> <p>10 Q. I'm wondering, did you do the --</p> <p>11 did you determine the methodologies that were</p> <p>12 being used by management to calculate the bad</p> <p>13 debt reserves at the various AHERF entities, or</p> <p>14 did somebody else do that?</p> <p>15 A. I didn't make a determination of</p> <p>16 the methodologies they were using. That was</p> <p>17 management's decision to determine what</p> <p>18 methodology they used.</p> <p>19 I would have simply -- I would have</p> <p>20 looked at what management determined and said</p> <p>21 if it was -- said it was reasonable or not</p> <p>22 reasonable and passed that on to my superiors</p> <p>23 to see what their opinion of it is.</p> <p>24 Q. So you would have wanted to</p> <p>25 understand the methodology that was being</p>	<p style="text-align: right;">Page 153</p> <p>1 A. I don't remember.</p> <p>2 Q. Let me hand you, Mr. Christian,</p> <p>3 what we'll mark as Exhibit 4022, and ask you to</p> <p>4 take a look at this, if you would.</p> <p>5 - - - - -</p> <p>6 (Thereupon, Deposition Exhibit 4022</p> <p>7 was marked for purposes of</p> <p>8 identification.)</p> <p>9 - - - - -</p> <p>10 A. (Witness reviewing document.)</p> <p>11 Q. While the witness is looking at it,</p> <p>12 for the record, what has been marked as</p> <p>13 Exhibit 4022 is a document bearing Bates stamp</p> <p>14 CL004240 through 4284.</p> <p>15 Have you had an opportunity to at</p> <p>16 least briefly review Exhibit 4022?</p> <p>17 A. Yes.</p> <p>18 Q. Is Exhibit 4022 a work paper that</p> <p>19 you prepared?</p> <p>20 A. In looking at the document in front</p> <p>21 of me, I believe that I prepared it, because it</p> <p>22 has my name in "completed by."</p> <p>23 Q. In this instance, the entry, unlike</p> <p>24 the two earlier work papers we looked at that</p> <p>25 said, "created by," this one says, "completed</p>

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Brian Christian

<p style="text-align: right;">Page 154</p> <p>1 by"; is that correct?</p> <p>2 A. Yes.</p> <p>3 Q. Is there a difference in your</p> <p>4 understanding to whether a document is</p> <p>5 designated "created by" or "completed by"?</p> <p>6 A. Not really.</p> <p>7 Q. You'll notice down at the very</p> <p>8 bottom of the first page it says, "modification</p> <p>9 history," and then your name appears there.</p> <p>10 A. Okay.</p> <p>11 Q. What does that signify?</p> <p>12 A. I'm really not sure.</p> <p>13 Q. This work paper indicates that it</p> <p>14 relates to major payor A/R greater than 180</p> <p>15 days; is that right?</p> <p>16 A. Repeat that, I'm sorry.</p> <p>17 Q. Well, why don't you, if you could,</p> <p>18 do you see the line, "working paper name:"?</p> <p>19 A. Okay.</p> <p>20 Q. What is the working paper name?</p> <p>21 A. AHERF major payor A/R greater than</p> <p>22 180 days. Okay.</p> <p>23 Q. With respect to putting together a</p> <p>24 working paper of major payor accounts</p> <p>25 receivables greater than 180 days, is there any</p>	<p style="text-align: right;">Page 156</p> <p>1 categories?</p> <p>2 A. I believe that's the case, from</p> <p>3 looking at this document, yes.</p> <p>4 Q. In addition to listing the amount</p> <p>5 of the payors greater than 180 days, you also</p> <p>6 set forth the reserve amount; is that right?</p> <p>7 A. I don't set forth the reserve</p> <p>8 amount. If this was a document that was</p> <p>9 prepared, I have a feeling it was prepared by</p> <p>10 the client and they would have included what</p> <p>11 the category was, what the reserve was. But I</p> <p>12 don't remember putting together this work</p> <p>13 paper, so I would have to assume that it was</p> <p>14 the client that did this.</p> <p>15 Q. Okay. And assuming that the client</p> <p>16 put this document together, I take it you would</p> <p>17 review the document, though; is that correct?</p> <p>18 A. I don't remember reviewing this</p> <p>19 document.</p> <p>20 Q. I'm sorry?</p> <p>21 A. I don't remember reviewing this</p> <p>22 document.</p> <p>23 Q. Do you have any reason to doubt</p> <p>24 that you would have reviewed this document as</p> <p>25 part of the audit of the accounts receivables</p>
<p style="text-align: right;">Page 155</p> <p>1 significance to the time frame of greater than</p> <p>2 180 days?</p> <p>3 A. None that I can really think of.</p> <p>4 Q. Did you decide to do the analysis</p> <p>5 of accounts receivables greater than 180 days</p> <p>6 or did somebody task you to do that?</p> <p>7 A. I'm not sure. I don't remember.</p> <p>8 Q. What was the purpose of compiling</p> <p>9 this information on major payor accounts</p> <p>10 receivables that were greater than 180 days?</p> <p>11 A. I don't know.</p> <p>12 Q. Let's go to the next page which</p> <p>13 bears the Bates stamp CL004241. Do you see</p> <p>14 that?</p> <p>15 A. Yes.</p> <p>16 Q. Am I correct in understanding that</p> <p>17 the hospitals whose accounts you are reviewing</p> <p>18 appear at the top of the page?</p> <p>19 A. Meaning under the AHERF</p> <p>20 consolidated, that line, the next line below</p> <p>21 it?</p> <p>22 Q. Yes.</p> <p>23 A. I believe that that's the case.</p> <p>24 Q. Then on the left-hand margin you</p> <p>25 have listed the payors, the various payor</p>	<p style="text-align: right;">Page 157</p> <p>1 in 1996?</p> <p>2 MR. McDONOUGH: Object to the form.</p> <p>3 A. I really have no idea.</p> <p>4 Q. Well, let's turn to the -- let me</p> <p>5 stay on that second page, that CL004241.</p> <p>6 The first line with actual revenue</p> <p>7 figures is St. Chris inpatient greater than 180</p> <p>8 days to, and then it says, dash 36. Do you see</p> <p>9 that?</p> <p>10 A. I see that.</p> <p>11 Q. And do you understand that to mean</p> <p>12 St. Chris inpatient greater than 180 days, up</p> <p>13 to 360 days?</p> <p>14 A. From looking at the work paper, I</p> <p>15 would guess that that's what it is, given it</p> <p>16 says, greater than 180 days to dash 36, I would</p> <p>17 guess that's what it would be.</p> <p>18 Q. You'll see the next column says,</p> <p>19 St. Chris inpatient greater than 360 days.</p> <p>20 A. I see that.</p> <p>21 Q. And then there is the same sort of</p> <p>22 information tabulated for outpatient, 180 days</p> <p>23 to 360, and then greater than 360, right?</p> <p>24 A. Okay.</p> <p>25 Q. Now, would you at some time have</p>

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Brian Christian

<p style="text-align: right;">Page 202</p> <p>1 A. No, I don't.</p> <p>2 Q. Do you recall whether there was</p> <p>3 generally a concern as to the way in which the</p> <p>4 hospitals in the east were calculating the bad</p> <p>5 debt reserve?</p> <p>6 A. No, I do not.</p> <p>7 Q. After you had done your work in</p> <p>8 connection with the audit of accounts</p> <p>9 receivables for 1996, did you believe that the</p> <p>10 accounts receivables were being reported at</p> <p>11 their net realizable value?</p> <p>12 A. I don't remember.</p> <p>13 Q. In connection with the work that</p> <p>14 you did in 1996, did you have -- did you</p> <p>15 express any concern that the accounts</p> <p>16 receivables were not being reported at their</p> <p>17 net realizable value?</p> <p>18 A. I don't remember expressing that</p> <p>19 concern.</p> <p>20 Q. Again, sir, if -- what would you</p> <p>21 turn to to refresh your recollection as to</p> <p>22 whether or not you had any concerns with</p> <p>23 respect to the manner in which the way the bad</p> <p>24 debt reserves were being calculated?</p> <p>25 MR. McDONOUGH: Object to form.</p>	<p style="text-align: right;">Page 204</p> <p>1 don't remember.</p> <p>2 Q. Would it be the case in the audit</p> <p>3 of an institution such as AHERF that you would</p> <p>4 not have engaged in some analysis of the</p> <p>5 methodologies used to calculate the bad debt</p> <p>6 reserves?</p> <p>7 MR. McDONOUGH: Objection. Just</p> <p>8 asked and answered.</p> <p>9 A. Could you repeat that. I'm sorry.</p> <p>10 MR. COGAN: Could you read the</p> <p>11 question back.</p> <p>(Record repeated.)</p> <p>13 A. I would guess that we would</p> <p>14 have -- that we would have reviewed what</p> <p>15 the client's methodology was.</p> <p>16 Q. Why would you do that?</p> <p>17 MR. McDONOUGH: Object to form.</p> <p>18 A. To gain an understanding of how</p> <p>19 they come about with their reserve, how the</p> <p>20 client would come about the reserve. I mean,</p> <p>21 you would have to have some understanding of</p> <p>22 it.</p> <p>23 Q. And how did you do that analysis?</p> <p>24 MR. McDONOUGH: Object to form.</p> <p>25 A. I honestly do not remember. It was</p>
<p style="text-align: right;">Page 203</p> <p>1 Sorry. Go ahead.</p> <p>2 A. What would I turn to now or --</p> <p>3 Q. Yeah, I guess I'm just trying to</p> <p>4 figure out if there's anything out there that</p> <p>5 would refresh your recollection, and if so, if</p> <p>6 you could tell me what it would be.</p> <p>7 MR. McDONOUGH: Same objection.</p> <p>8 A. I have no idea.</p> <p>9 Q. I understand that you didn't</p> <p>10 analyze the individual buckets and the</p> <p>11 percentages used with respect to each</p> <p>12 individual bucket, but how would you go about</p> <p>13 or how did you go about just generally</p> <p>14 analyzing the reasonableness of the bad debt</p> <p>15 reserve methodologies that were being used?</p> <p>16 MR. McDONOUGH: Object to form.</p> <p>17 A. I don't know. I don't remember.</p> <p>18 Q. Was it your responsibility in</p> <p>19 connection with the 1996 audit to at least do</p> <p>20 the preliminary work with respect to the</p> <p>21 analysis of the bad debt reserve?</p> <p>22 MR. McDONOUGH: Object to form.</p> <p>23 A. It may have been. It may have</p> <p>24 been, if there was some sort of an analysis to</p> <p>25 be performed, it may have been, but I really</p>	<p style="text-align: right;">Page 205</p> <p>1 seven years ago.</p> <p>2 - - - - -</p> <p>3 (Thereupon, Deposition Exhibit 4024</p> <p>4 was marked for purposes of</p> <p>5 identification.)</p> <p>6 - - - - -</p> <p>7 Q. Mr. Christian, I'll hand you</p> <p>8 what's been marked as Exhibit 4024. Ask</p> <p>9 you to take a look at that, if you would,</p> <p>10 please.</p> <p>11 A. (Witness reviewing document.)</p> <p>12 Q. Have you had a chance to look at</p> <p>13 Exhibit 4024?</p> <p>14 A. Yes.</p> <p>15 Q. Is that, again, a working paper</p> <p>16 that you completed?</p> <p>17 A. From looking at the document, it</p> <p>18 has my name in the "completed by" section.</p> <p>19 Q. And the working paper name is</p> <p>20 "AHERF Subsequent Receipts Summary." Do you</p> <p>21 see that?</p> <p>22 A. Yes, I do see that.</p> <p>23 Q. And, again, this indicates the</p> <p>24 working paper is an OLE, so that would have</p> <p>25 been a link to a client-prepared document?</p>

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Brian Christian

<p style="text-align: right;">Page 206</p> <p>1 A. I believe that's the case.</p> <p>2 Q. And is the document to which you</p> <p>3 had the electronic link what appears as Bates</p> <p>4 CL000861 to 866?</p> <p>5 A. Is what's being linked from -- yes.</p> <p>6 Q. Did you do a subsequent receipts</p> <p>7 testing?</p> <p>8 A. I believe I did. I don't</p> <p>9 remember -- I don't remember performing that</p> <p>10 task.</p> <p>11 Q. What exactly is a subsequent</p> <p>12 receipts testing?</p> <p>13 A. My understanding of it is if you</p> <p>14 look at the cash received subsequent to your</p> <p>15 balance sheet date, the date that you're</p> <p>16 looking at the receivables, if you look at the</p> <p>17 cash received on the existing receivables as of</p> <p>18 that date, you should see collection of them,</p> <p>19 give you an idea of the collectability of the</p> <p>20 amount that's on the financial statements as of</p> <p>21 your balance sheet date.</p> <p>22 So if you were able to collect a</p> <p>23 hundred percent of a balance, let's say, over a</p> <p>24 period of time close to year end, you would say</p> <p>25 that balance at that date is a hundred percent</p>	<p style="text-align: right;">Page 208</p> <p>1 A. What use do I make of this</p> <p>2 information?</p> <p>3 Q. Yeah. Or let me put it to you, why</p> <p>4 do you do the subsequent receipts testing?</p> <p>5 A. I believe because it gives you a</p> <p>6 better picture as to the collectability of a</p> <p>7 balance as of a certain date. Because if</p> <p>8 you're receiving cash on your A/R, that means</p> <p>9 it's a valid A/R. It's not just something</p> <p>10 that's sitting out there that will never be</p> <p>11 collected.</p> <p>12 Q. So what would you interpret or</p> <p>13 construe from that first Blue Cross line that</p> <p>14 we just reviewed?</p> <p>15 A. I don't know that I would interpret</p> <p>16 anything. I interpret that based on this</p> <p>17 schedule, they received \$8,257,229 worth of A/R</p> <p>18 over that first month period.</p> <p>19 Q. Would you have had any discussions</p> <p>20 with anybody at AGH regarding why they hadn't</p> <p>21 collected more on A/Rs from Blue Cross during</p> <p>22 that 30-day period?</p> <p>23 A. I don't know that I would have.</p> <p>24 Q. Let's go to the next page, which is</p> <p>25 a Center City cash summary. And it covers the</p>
<p style="text-align: right;">Page 207</p> <p>1 collectible.</p> <p>2 Q. So, for example, if we look at 861,</p> <p>3 and that document is an AGH cash summary; is</p> <p>4 that right?</p> <p>5 A. That's what it says.</p> <p>6 Q. Again, the first line across after</p> <p>7 AGH cash summary, those would be the various</p> <p>8 payor classes?</p> <p>9 A. I believe that's the case.</p> <p>10 Q. And then the next line entry shows</p> <p>11 what the accounts receivable balance was for</p> <p>12 each of those payors as of June 30, 1996.</p> <p>13 A. Okay. That's what it says.</p> <p>14 Q. Is that right? If we go down, we</p> <p>15 can just watch what the collections were then</p> <p>16 between July 1 and July 31st?</p> <p>17 A. I believe that's the case.</p> <p>18 Q. We have a total line, which would</p> <p>19 be the total collections during that one-month</p> <p>20 period, and then we have a remaining balance;</p> <p>21 is that right?</p> <p>22 A. That's what I see.</p> <p>23 Q. Now, what use do you make of this</p> <p>24 information as part of your audit of the</p> <p>25 accounts receivables?</p>	<p style="text-align: right;">Page 209</p> <p>1 same time period, does it not?</p> <p>2 A. I believe so.</p> <p>3 Q. In other words, we're looking at</p> <p>4 the account receivable balance at June 30, 1996</p> <p>5 and then cumulating payments from July 1</p> <p>6 through July 31st?</p> <p>7 A. Okay.</p> <p>8 Q. Is that right?</p> <p>9 A. Yes.</p> <p>10 Q. Now, in this instance I see that</p> <p>11 the Center City cash balance was \$19,454,638;</p> <p>12 do you see that?</p> <p>13 A. Yes.</p> <p>14 Q. And total collections during that</p> <p>15 period on the Blue Cross account was</p> <p>16 \$2,873,327; is that right?</p> <p>17 A. I see that.</p> <p>18 Q. Which left a balance of \$16.5 plus</p> <p>19 million, right?</p> <p>20 A. I see that.</p> <p>21 Q. When you saw that, did that cause</p> <p>22 you some concern as to whether Center City was</p> <p>23 collecting its accounts receivables in a timely</p> <p>24 manner?</p> <p>25 A. I don't remember if it did or not.</p>

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Brian Christian

<p style="text-align: right;">Page 214</p> <p>1 Q. Yes.</p> <p>2 A. I don't remember.</p> <p>3 Q. Let me go back, and I apologize,</p> <p>4 but I have some confusion.</p> <p>5 Do you have an understanding as to</p> <p>6 what the purpose is of subsequent receipts</p> <p>7 testing?</p> <p>8 A. I believe -- what I described</p> <p>9 earlier was it gives you a picture of a</p> <p>10 potential collectability of an amount as of a</p> <p>11 specific date by looking at the receipts, cash</p> <p>12 that would have come in the door in a period</p> <p>13 subsequent to that date. So it gives you an</p> <p>14 idea of how much of that amount is actually</p> <p>15 collectible.</p> <p>16 Q. And looking at Page 862, where we</p> <p>17 see Blue Cross collections of approximately</p> <p>18 2.8 million, would that have raised concerns</p> <p>19 about the potential collectability of the Blue</p> <p>20 Cross account receivable balance?</p> <p>21 MR. McDONOUGH: Objection. Asked</p> <p>22 and answered twice.</p> <p>23 A. It may or may not have.</p> <p>24 Q. What other test, in addition to the</p> <p>25 subsequent receipts testing, would you perform</p>	<p style="text-align: right;">Page 216</p> <p>1 the accounts receivables?</p> <p>2 A. I don't remember that as being -- I</p> <p>3 don't remember.</p> <p>4 Q. Do you recall having any</p> <p>5 discussions with your supervisors on the</p> <p>6 subject of whether the accounts receivables</p> <p>7 were stated at their net realizable value?</p> <p>8 A. No, I don't remember.</p> <p>9 - - - - -</p> <p>10 (Thereupon, Deposition Exhibit 4025</p> <p>11 was marked for purposes of</p> <p>12 identification.)</p> <p>13 - - - - -</p> <p>14 Q. Mr. Christian, let me hand</p> <p>15 you what I'll mark as Exhibit 4025.</p> <p>16 A. (Witness reviewing document.)</p> <p>17 Q. Have you had a chance to look at</p> <p>18 Exhibit 4025?</p> <p>19 A. Yes.</p> <p>20 Q. And, again, this is a work paper</p> <p>21 that you completed?</p> <p>22 A. I believe so, because it has my</p> <p>23 name by the "completed by" box on the work</p> <p>24 paper.</p> <p>25 Q. And as I would understand it, this</p>
<p style="text-align: right;">Page 215</p> <p>1 to better understand whether the accounts will</p> <p>2 be collectible?</p> <p>3 A. I would guess a number of tests. I</p> <p>4 would guess you might also look at collections</p> <p>5 over another period of time, not just</p> <p>6 subsequent to the end of the year. You might</p> <p>7 take a look at their agings and see if,</p> <p>8 perhaps, there was -- the buckets were becoming</p> <p>9 more towards the -- the accounts were getting</p> <p>10 older and older. I would guess I would look at</p> <p>11 a number of issues.</p> <p>12 Q. With respect to those tests that</p> <p>13 you have identified, did you look at</p> <p>14 collections over other periods of time in order</p> <p>15 to determine the potential of the</p> <p>16 collectability of the accounts receivables?</p> <p>17 A. I don't remember.</p> <p>18 Q. And do you remember, as an</p> <p>19 additional test, looking at the aging buckets,</p> <p>20 as you described it?</p> <p>21 A. I don't remember.</p> <p>22 Q. Based upon the information that you</p> <p>23 had pulled together and provided to your</p> <p>24 supervisors, did any of your supervisors</p> <p>25 express any concern about the collectability of</p>	<p style="text-align: right;">Page 217</p> <p>1 work paper, which has been marked as</p> <p>2 Exhibit 4025, relates to patient accounts</p> <p>3 receivable for Center City, correct?</p> <p>4 A. That's what it says.</p> <p>5 Q. Of course, that was one of the</p> <p>6 subsequent receipts testing that we were just</p> <p>7 reviewing was for Center City, was it not?</p> <p>8 A. I believe that's the case.</p> <p>9 Q. The work paper indicates, "perform</p> <p>10 the following to ascertain that the hospital is</p> <p>11 properly accounting for high-dollar accounts."</p> <p>12 Do you see that?</p> <p>13 A. Yes.</p> <p>14 Q. And then it lists a number of</p> <p>15 different tasks that need to be completed, four</p> <p>16 of them, right?</p> <p>17 A. I see that.</p> <p>18 Q. And would you have performed those</p> <p>19 tasks?</p> <p>20 A. I don't remember if I did or not.</p> <p>21 Q. Would there have been somebody who</p> <p>22 would have been working for you that would have</p> <p>23 done these tasks?</p> <p>24 A. I'm not sure.</p> <p>25 Q. Do you recall during the time that</p>

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Brian Christian

<p style="text-align: right;">Page 218</p> <p>1 you were working on the 1996 audit whether you 2 had anybody supporting you in your work? 3 A. There may have been somebody on odd 4 occasions that they would be footing things, 5 you know, maybe agreeing certain items at 6 certain times, but I can't remember what tests 7 they would have performed. It might have been 8 some of the associates that we had on the job, 9 but I don't remember a specific event where 10 they -- you know, we assigned a duty to them. 11 It's a possibility. 12 Q. But with respect to the '96 audit, 13 was anybody reporting to you? 14 A. No. 15 Q. Do you recall that there were 16 occasions that you would have gone to 17 Mr. Kirstein or Ms. Frazier and asked for 18 assistance in completing a task? 19 A. Asked for assistance, asked for 20 their assistance? 21 Q. No. Asked that they provide you 22 with an additional associate help in order to 23 complete an audit task. 24 A. Not necessarily. It could be -- it 25 could have been as informal as asking the</p>	<p style="text-align: right;">Page 220</p> <p>1 Q. Do you recall the results of that 2 work? 3 A. No, I don't. 4 Q. Is that the sort of task that could 5 be completed in five or ten minutes? 6 A. I don't know. It depends on how 7 long the listing is. 8 Q. And with -- and you had no 9 recollection? 10 A. No. 11 Q. How about the, "review client 12 summarized information which provides a status 13 update on the accounts through August 23, '96." 14 Do you recall doing that? 15 A. No, I do not. 16 Q. Who would have requested the 17 information from the client? 18 A. Who would have requested what 19 information? 20 Q. It says, "review client summarized 21 information which provides a status update on 22 the accounts through August 23, 1996." 23 Would somebody have to request that 24 information? 25 A. I would guess -- it would depend.</p>
<p style="text-align: right;">Page 219</p> <p>1 in-charge on the job is somebody, you know, 2 working on something can they spare five 3 minutes. It could be as informal as at the end 4 of the day asking an associate, hey, do you 5 have a couple minutes to help me out with 6 footing something or agreeing something. It 7 could be that informal. 8 Q. Okay. With respect to the four 9 tasks that are identified in Exhibit 4025, 10 would you approach asking somebody to do one of 11 those tasks in this informal type manner that 12 you've just described? 13 A. There's a possibility I would do 14 that. 15 Q. Let's talk about the various tasks 16 that are identified there. The first one says, 17 "agree client prepared listing for account 18 balances exceeding \$200,000 on a test basis to 19 the in-house, DNFB and Final Billed accounts 20 receivable detail at year-end." Do you see 21 that? 22 A. I see that. 23 Q. Now, I take it as you sit here 24 today, you don't recall doing that work? 25 A. No, I don't.</p>	<p style="text-align: right;">Page 221</p> <p>1 I guess it could have come in a form of a 2 schedule request, it could come in the form of 3 somebody asking for it. 4 Q. Again, I take it you don't know 5 whether you did that work or not? 6 A. No, I don't remember. 7 Q. Item C says, "determine that the 8 appropriate contractual allowances have been 9 taken against these high-dollar accounts." Do 10 you see that? 11 A. I see that. 12 Q. How would you go about determining 13 whether the appropriate contractual allowance 14 had been taken? 15 A. I would gather I would look at the 16 client's prepared information and determine 17 what allowance had been taken. And we'd sit 18 down and take a look at what allowance would 19 have been taken at that time. 20 Q. But once you have determined the 21 allowance that has been taken, how do you 22 determine that it is the appropriate 23 contractual allowance? 24 A. I guess it would be comparison 25 to -- comparison to, you know, as a percentage</p>

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Brian Christian

<p style="text-align: right;">Page 222</p> <p>1 compared to what else they've been taking in 2 the system. 3 Q. Is that something that you would 4 have done as part of your audit of accounts 5 receivables? 6 A. I don't know. I may have. It's 7 described here and I signed off the step, but I 8 don't know if I did do that or not. I don't 9 remember. 10 Q. Is it your understanding, though, 11 that as part of auditing accounts receivables, 12 one of the tasks is to determine whether the 13 client has taken the appropriate contractual 14 allowances? 15 A. Would you ask that again, I'm 16 sorry. 17 Q. Yes. In auditing accounts 18 receivables, is it necessary for you to 19 determine whether the client has taken the 20 appropriate contractual allowance? 21 A. I believe so. 22 Q. And as part of your audit 23 responsibilities in 1996, did you ever make any 24 determination as to whether AHERF was taking 25 the appropriate contractual allowances?</p>	<p style="text-align: right;">Page 224</p> <p>1 the decision on reasonableness? 2 A. I would not have been the final 3 person doing that, no. 4 Q. If you encountered something that 5 you believed was unreasonable, would you bring 6 that to the attention of your supervisors? 7 A. If I saw something that was 8 unreasonable, I probably would. 9 Q. Do you recall ever bringing any 10 information to the attention of your 11 supervisors regarding whether AHERF had taken 12 the appropriate contractual allowances? 13 MR. McDONOUGH: Object to form. 14 A. I don't remember. 15 Q. The last entry that appears on the 16 first page of this work paper under the tasks 17 that need to be done is, "consider the risk 18 that significant unrecorded outliers exist." 19 Do you see that? 20 A. I see that. 21 Q. What are unrecorded outliers? 22 A. At this point, I am not sure. 23 Q. Do you have any understanding of 24 what work would have been performed in order to 25 determine whether there was a risk of</p>
<p style="text-align: right;">Page 223</p> <p>1 A. I didn't make any determination, 2 but I don't know it was ultimately my 3 responsibility to make a determination. 4 Q. I take it you would have as part of 5 your audit responsibilities compiled 6 information regarding the contractual 7 allowances that had been taken? 8 A. I'm sorry, say that again. 9 Q. Would you compile information 10 regarding the contractual allowances that had 11 been taken? 12 A. I would have -- I would have taken 13 information that the client would have prepared 14 for me and I believe it would have been 15 presented as part of the whole body of my work 16 to my supervisors, who would take a look at it 17 and see if it was reasonable. 18 Q. Okay. And then with respect to the 19 decision or the determination as to whether the 20 appropriate contractual allowance had been 21 taken, was that determination up to your 22 supervisors? 23 A. I think, to determine if it was 24 reasonable, I believe that would be the case. 25 Q. So you wouldn't have been making</p>	<p style="text-align: right;">Page 225</p> <p>1 significant unrecorded outliers? 2 A. No, I don't. 3 Q. Turn, if you would then, to 4 Page 1124. This is a work paper bearing the 5 Bates number CL001124; do you see that? 6 A. Yes, I do. 7 Q. And, again, this is a document that 8 was -- work paper that was completed by you, 9 correct? 10 A. It is marked completed by me on the 11 page. 12 Q. And it relates to patient accounts 13 receivable at Center City, right? 14 A. That's the file section name, yes. 15 Q. Do I understand that what was to be 16 done was to test old account balances at 17 6/30/96? 18 A. From looking at this page, it 19 describes reviewing client summary of accounts 20 greater than 90 days with balances exceeding a 21 hundred thousand dollars, and investigating 22 Medicare and Medicaid balances greater than 120 23 days to determine collectability. So that's 24 what it describes. 25 Q. What I was looking at, and I wasn't</p>

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Brian Christian

<p style="text-align: right;">Page 226</p> <p>1 very clear, the work paper has items, "Step 2 Name:" Do you see that? 3 A. I do see that. 4 Q. The entry there is, "test old 5 account balances at 6/30/96," right? 6 A. Okay. 7 Q. And then the balances that -- the 8 old account balances that you were testing are 9 described in the step description, correct? 10 A. Yes. 11 Q. And those accounts were accounts 12 that were greater than 90 days old with a 13 balance exceeding a hundred thousand dollars, 14 and then Medicare and Medicaid balances greater 15 than 120 days, right? 16 A. That's what it says. 17 Q. Now, would you have been the person 18 to engage in that review? 19 A. I don't remember. 20 Q. It also indicates, as part of this 21 step description, to consider reclassifying old 22 Medicare and Medicaid balances to self-pay and 23 including in the bad debt reasonableness test. 24 Do you recall whether you had any 25 involvement in that issue?</p>	<p style="text-align: right;">Page 228</p> <p>1 A. I don't know, five hours, maybe. 2 Q. And who specifically did you meet 3 with? 4 A. Mr. McDonough, Mr. Krusko. 5 Q. During the course of that meeting, 6 did you review any documents? 7 A. Yes, I believe we looked at some 8 documents. 9 Q. Did those documents refresh your 10 recollection in any way? 11 A. No, not really. 12 Q. Did you see any documents that 13 refreshed your recollection? 14 A. No. 15 Q. While you were at Coopers &amp; 16 Lybrand, did you maintain any personal files 17 with respect to the audit work you did on 18 behalf of AHERF? 19 A. I maintained files for a period of 20 time that I was on the engagement. And any of 21 the files that I would have maintained were 22 submitted as part of a document submission 23 whenever the -- well, when I left the 24 engagement, but then anything else I searched 25 through my files whenever the bankruptcy</p>
<p style="text-align: right;">Page 227</p> <p>1 A. No, I don't recall. 2 Q. Then the last step description is, 3 "consider uncollectible balances in determining 4 reasonableness of overall accounts receivable 5 allowances." Do you see that? 6 A. I see that. 7 Q. And did you have any involvement in 8 considering the uncollectible balances? 9 A. I do not remember. 10 Q. Do you recall having any 11 involvement in determining the reasonableness 12 of overall accounts receivable allowances? 13 A. I do not remember. 14 Q. Mr. Christian, in terms of 15 preparing for your deposition today, did you 16 meet with anybody and talk about the 17 deposition? 18 A. Outside of my counsel, or PWC's 19 counsel, no, I have not. 20 Q. And I take it you did meet with 21 PWC's counsel? 22 A. Yes. 23 Q. When did you meet? 24 A. Last Friday. 25 Q. For how long did you meet?</p>	<p style="text-align: right;">Page 229</p> <p>1 occurred and all documents were -- that were 2 asked for, I provided. 3 Q. So if I understood your answer, 4 even after an audit was completed, you may have 5 still had some information relating to AHERF? 6 A. There is a possibility. 7 Q. And that was the sort of 8 information that you provided following the 9 bankruptcy? 10 A. I provided everything that I 11 thought I had, because I was removed from the 12 engagement prior to the bankruptcy. Whenever 13 the bankruptcy occurred, there was a meeting in 14 the office. I went back through any of my 15 files to see if there was anything remaining of 16 AHERF. And I don't remember if I found 17 anything or not, but it all would have been 18 provided and I wouldn't have had anything else 19 after that point in time for sure. 20 Q. After the bankruptcy -- well, let 21 me back up. 22 You indicated that you were, I 23 think you said, removed from the engagement? 24 A. Yes. 25 Q. And when did that occur?</p>

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